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STATE PASS USTR FOR AUSTR CUTLER, MBEEMAN, EHOLLOWAY,
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TAGS: [ETRD](#) [ECON](#) [EAGR](#) [PREL](#) [JA](#)
SUBJECT: CODEL BOSWELL: DIET MEMBERS' VIEWS ON WTO
AGRICULTURE TALKS AND FOOD SECURITY

REF: A. TOKYO 3338
[1](#)B. TOKYO 3209

Classified By: Ambassador J. Thomas Schieffer; reasons 1.4 (b), (d)

[1](#)1. (C) Summary: Japanese Diet members expressed no disappointment regarding the lack of progress in the Doha Development Agenda (DDA) in their roundtable discussion with Representative Leonard Boswell (D-IA), Chairman of the House Subcommittee on Livestock, Dairy, and Poultry, and his delegation December 13. Koji Futada, Chair of the LDP's Agricultural Trade Policy Council, suggested future negotiations will have to wait until after the new U.S. administration takes office and Japan holds a general election. He also contended that Japan's market was largely open to agricultural imports, but certain sensitive sectors must be protected to avoid damaging political backlash. Former Agriculture Minister Masatoshi Wakabayashi and the others talked at great length about the need for increased Japanese domestic agricultural production to ensure a stable food supply, especially in an emergency. Japan's boosting its food production also would be a means to take pressure off food supplies and prices in developing countries, the Diet members stated. Yoshio Yatsu, Chair of the Liberal Democratic Party's (LDP) General Agricultural Policy Council and former Agriculture Minister, asserted a 50-percent level in food self-sufficiency is a reasonable, albeit difficult, target for Japan to reach. Chairman Boswell assured Diet members the U.S. is a good ally and friend of Japan's, and a reliable, safe, and affordable source of food. Codel Boswell's discussions on U.S. beef are reported septel. End summary.

[1](#)2. (SBU) Chairman Boswell, accompanied by fellow House Committee on Agriculture members Robert Goodlatte (R-VA), Henry Cuellar (D-TX), Adrian Smith (R-NE), and Steve King (R-IA), visited Japan December 13-15 to raise agriculture-related issues. In addition to their roundtable discussion with three members of Japan's parliament, they also met with the American Chamber of Commerce in Japan, visited a Wagyu Beef farm in Tochigi Province, and the first national retail outlet to resume sales of U.S. beef after Japan partially lifted its ban on imports of U.S. beef and beef products in July 2007.

Relief at Stalled WTO Talks

[1](#)3. (C) Futada expressed relief that WTO Director General Pascal Lamy had decided to postpone the December Ministerial talks in Geneva. He suggested a ministerial will most likely have to wait until after the U.S. has a new administration and Japan holds a national election. (Note: Japan's Prime Minister must call an election by no later than September

¶2009. End note.) Futada contended Japan's market for agricultural goods is already largely open. The GOJ's agriculture policy recognizes there are crops Japan cannot produce and others it can produce, oftentimes in surplus. Some regions depend on revenue generated by specialty crops; opening these markets to competition would cripple local economies and generate a "huge backlash" by constituents, particularly in cases involving rice production, Futada asserted. (Note: In his opening remarks, Futada said he visited the U.S. in his younger days to protest U.S. exports of rice to Japan. End note.)

¶4. (C) Drawing on WTO Agriculture Chair Falconer's recent statement that modalities for the Doha Round should reflect the special circumstances of individual WTO member economies, Futada said the GOJ wants to work with the USG to address treatment of sensitive crops, which he noted for the U.S. include sugar and cotton. Wakabayashi echoed these sentiments, saying agriculture serves other ends besides food production, namely as a hedge against environmental degradation and natural disasters. The WTO's task is to address how to improve trade in agricultural goods while also taking into account the diverse needs of each country, he said.

Increased Food Self-Sufficiency a National Imperative

¶5. (C) Citing significant changes in the world's food supply since his two fellow Diet members and he began working on the DDA agenda eight years ago, Wakabayashi suggested Japan must boost agricultural self sufficiency in part to take some

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pressure off food supplies and prices in developing countries. A 50 percent self sufficiency rate in food is a reasonable target for Japan, even though it will take tremendous efforts to reach, Yatsu said. Wakabayashi claimed the GOJ would not seek (additional) protectionist measures to achieve this goal, explaining Japan had worked "too hard" on the DDA to consider doing otherwise.

¶6. (C) The GOJ wants to decrease the scope of its domestic support programs, but at the same time remains mindful of its food security needs, Wakabayashi said. Japan's current capacity to provide only 40 percent of consumers' calories domestically is extremely low, especially relative to other developed countries, he added. Futada reiterated Japan must do all it can to ensure an adequate food supply in an emergency. Noting grave concerns about recent export restrictions on food imposed by some of its trading partners, he said boosting Japan's agricultural self-sufficiency was a national imperative. Representative Goodlatte assured the Diet members the U.S. will not impose export restrictions. (Note: The Japanese often cite President Nixon's 1973 announcement to suspend soybean exports and say the U.S. might do so again. End note.)

¶7. (C) Yatsu argued that U.S. efforts to develop biofuels had negatively affected Japanese farmers and other consumers. He said the GOJ has taken unprecedented steps this year to support farmers hit by increased grain prices, notably for corn used for animal feed. The government has also initiated a program to convert unutilized rice paddies into land for wheat production as a result of higher world grain prices.

U.S. as Reliable and Safe Supplier

¶8. (C) Chairman Boswell underscored that the U.S. is a good ally and friend of Japan's, and a reliable, safe, and affordable source of food. Both Chairman Boswell and Representative Goodlatte cited progress made to increase food supplies. Scientific and technological advances, for example, have resulted in higher crop yields of corn and other grains in the U.S., while progress in developing

cellulosic ethanol (from wood, grasses, etc.) will diminish the use of edible grains in the production of biofuels.

19. (U) Codel Boswell did not have an opportunity to clear this message before departure from Post.
SCHIEFFER